



August 16, 2005

Charles L. A. Terreni, Esquire
Chief Clerk/Administrator
The Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RE: SCPSC Docket No. 2005-____-E

Dear Mr. Terreni:

Please find enclosed an original and ten (10) copies of Progress Energy Carolina's Application for Permission to Sell Land That is no Longer Needed to Provide Utility Service.

Very truly yours,

A handwritten signature in black ink, appearing to read "Len S. Anthony".

Len S. Anthony
Deputy General Counsel-Regulatory Affairs

LSA:mhm

cc: Mr. John Flitter

226740

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2005-__-E

AUGUST 16, 2005

In the Matter of)	
)	
Application of Progress Energy)	APPLICATION
Carolinas, Inc. For Permission To Sell)	
Land That Is No Longer Needed To)	
Provide Utility Service)	

Pursuant to the Public Service Commission of South Carolina's (the "Commission") Rules 103-830, 103-831, and 103-834 and S.C. Code Ann. § 58-27-1300 (1976) as amended, Progress Energy Carolinas, Inc. ("PEC") applies to the Commission for permission to sell certain land that is not needed to provide electric utility service. In support thereof, PEC shows the following:

1. The name and address of the applicant is:

Progress Energy Carolinas, Inc.
Post Office Box 1551
Raleigh, North Carolina 27602

PEC is an electric utility incorporated in the State of North Carolina and authorized to do business in South Carolina. PEC generates, transmits and delivers electricity to the citizens of North and South Carolina.

2. The attorney for PEC to whom all correspondence should be directed is:

Len S. Anthony, Deputy General Counsel
Post Office Box 1551
Raleigh, North Carolina 27602
(919) 546-6367
Len.S.Anthony@pgnmail.com

3. In 1925 and 1926 PEC purchased 161 acres of land located in Stanley County, North Carolina near Lake Tillery for \$17,573.00. When PEC purchased the land it was intended to be used for impoundment of the Pee River and construction of the Tillery Lake Hydro Plant. PEC has determined that this property is no longer needed in order for PEC to provide electric service to its customers. An appraisal of the property indicated that the property was worth \$4.3 million. PEC marketed and advertised the property for 90 days and has accepted the highest offer, \$7.45 million. From the date of its acquisition the property has been held in Federal Energy Regulatory Commission ("FERC") Account No. 101, Electric Plant in Service. Attached hereto as Attachment No. 1 is the marketing plan for the property containing the appraisal.

4. S.C. Code Ann. § 58-27-1300 provides that an electric utility must first obtain Commission approval prior to selling or otherwise transferring utility property with a fair market value greater than \$1 million. Therefore, PEC applies to the Commission for permission to sell the land in question. Public notice and a hearing are not required by the statute.


5. PEC's proposed accounting treatment for this transaction is as follows: FERC Account No. 101 will be credited for the book value of the property; and FERC

Account No. 421.1, Gain on Disposition of Property, will be credited for the difference between the book value and sale price.

WHEREFORE, PEC applies to the Commission, pursuant to S.C. Code Ann. § 58-27-1300 (1976) as amended, for an order approving the sale of the subject property.

Respectfully submitted this 16th day of August, 2005.

PROGRESS ENERGY CAROLINAS, INC.


Len S. Anthony
Deputy General Counsel-Regulatory Affairs
P. O. Box 1551
Raleigh, North Carolina 27602
(919) 546-6367

VERIFICATION

STATE OF NORTH CAROLINA

COUNTY OF WAKE

The undersigned, Margaret Todd Yaeger, being first duly sworn, deposes and says that she is Controller-PEC, Accounting Department for Progress Energy Service Company; that she has read the foregoing and knows the contents thereof; that the same are true of her own knowledge and believes them to be true.

Margaret Todd Yaeger
Margaret Todd Yaeger

Sworn to and subscribed to me this 15th day of August, 2005.

Marsha H. Manning
Notary Public

My Commission Expires: 10/03/2009

(SEAL)

